

**Executive Summary – Enforcement Matter – Case No. 50779**  
**Regency Field Services LLC**  
**RN102643327**  
**Docket No. 2015-1014-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Fashing Gas Treating Plant, located 1.5 miles north of Fashing on Farm-to-Market Road 2924, Karnes City, Atascosa County

**Type of Operation:**

Natural gas processing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** November 13, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$9,890

**Amount Deferred for Expedited Settlement:** \$1,978

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$7,912

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$0

Name of SEP: N/A

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - High

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

**Executive Summary – Enforcement Matter – Case No. 50779**  
**Regency Field Services LLC**  
**RN102643327**  
**Docket No. 2015-1014-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** May 6, 2015

**Date(s) of NOE(s):** June 23, 2015

***Violation Information***

1. Failed to certify compliance for at least each 12-month period following permit issuance. Specifically, the Permit Compliance Certification ("PCC") submitted on April 15, 2015 did not certify compliance for the period from March 17, 2014 through September 16, 2014 [30 TEX. ADMIN. CODE §§ 122.143(4), 122.146(1), and 122.146(2), Federal Operating Permit ("FOP") No. 0855/Oil and Gas General Operating Permit ("GOP") No. 514, Site-wide Requirements (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to maintain complete records of non-reportable emissions events. Specifically, for the non-reportable emissions events that occurred on August 11, 2014, August 13, 2014, December 8, 2014, and December 21, 2014, the Respondent failed to include the Regulated Entity Number; the common name where the unauthorized emissions were released to the atmosphere; the estimated duration of the emissions; the authorized emissions limits for the compounds or mixtures emitted; the rule citation of the standard permit, permit by rule, or rule, if any, governing the facilities involved in the emissions event; and the basis used for determining the quantity of air contaminants emitted [30 TEX. ADMIN. CODE §§ 101.201(b)(2) and 122.143(4), FOP No. 0855/Oil and Gas GOP No. 514, Site-wide Requirements (b)(28)(F), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures:

- a. On July 9, 2015, submitted a revised PCC for the March 17, 2014 through March 16, 2015 certification period; and
- b. On July 20, 2015, implemented measures and/or procedures to ensure that complete final records are maintained for non-reportable emissions events.

**Technical Requirements:**

N/A

**Executive Summary – Enforcement Matter – Case No. 50779**

**Regency Field Services LLC**

**RN102643327**

**Docket No. 2015-1014-AIR-E**

***Litigation Information***

**Date Petition(s) Filed:** N/A

**Date Answer(s) Filed:** N/A

**SOAH Referral Date:** N/A

**Hearing Date(s):** N/A

**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Raimé Hayes-Falero, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3567; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

**TCEQ SEP Coordinator:** N/A

**Respondent:** David Zimmerman, Director of Operations, Regency Field Services LLC, 300 East Sonterra Boulevard, Suite 1240, San Antonio, Texas 78258

Chad Ingalls, Director of Operations, Regency Field Services LLC, 300 East Sonterra Boulevard, Suite 1240, San Antonio, Texas 78258

**Respondent's Attorney:** N/A





# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

**TCEQ**

<b>DATES</b>	<b>Assigned</b>	29-Jun-2015	<b>PCW</b>	24-Sep-2015	<b>Screening</b>	7-Jul-2015	<b>EPA Due</b>	
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## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Regency Field Services LLC						
<b>Reg. Ent. Ref. No.</b>	RN102643327						
<b>Facility/Site Region</b>	13-San Antonio				<b>Major/Minor Source</b>	Major	

## CASE INFORMATION

<b>Enf./Case ID No.</b>	50779	<b>No. of Violations</b>	2
<b>Docket No.</b>	2015-1014-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Raime Hayes-Falero
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000
		<b>EC's Team</b>	Enforcement Team 4

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$10,750
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## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	2.0%	Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$215
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Notes: Enhancement for one NOV with dissimilar violations.

<b>Culpability</b>	No	0.0%	Enhancement	<b>Subtotal 4</b>	\$0
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Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$1,075
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<b>Economic Benefit</b>	0.0%	Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts: \$63  
Estimated Cost of Compliance: \$5,250  
\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$9,890
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

<b>Final Penalty Amount</b>	\$9,890
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$9,890
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<b>DEFERRAL</b>	20.0%	Reduction	<b>Adjustment</b>	-\$1,978
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$7,912
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Screening Date 7-Jul-2015

Docket No. 2015-1014-AIR-E

PCW

Respondent Regency Field Services LLC

Policy Revision 4 (April 2014)

Case ID No. 50779

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102643327

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 2%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

Enhancement for one NOV with dissimilar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, &amp; 7) 2%

## &gt;&gt; Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 2%

Screening Date 7-Jul-2015

Docket No. 2015-1014-AIR-E

PCW

Respondent Regency Field Services LLC

Policy Revision 4 (April 2014)

Case ID No. 50779

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102643327

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4), 122.146(1), and 122.146(2), Federal Operating Permit ("FOP") No. 0855/Oil and Gas General Operating Permit ("GOP") No. 514, Site-wide Requirements (b)(2), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to certify compliance for at least each 12-month period following permit issuance. Specifically, the Permit Compliance Certification ("PCC") submitted on April 15, 2015 did not certify compliance for the period from March 17, 2014 through September 16, 2014.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

## Violation Events

Number of Violation Events 1

83 Number of violation days

mark only one  
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$3,750

One single event is recommended.

## Good Faith Efforts to Comply

10.0%

Reduction \$375

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

The Respondent completed corrective action on July 9, 2015, after the June 23, 2015 Notice of Enforcement ("NOE").

Violation Subtotal \$3,375

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$3

Violation Final Penalty Total \$3,450

This violation Final Assessed Penalty (adjusted for limits) \$3,450

# Economic Benefit Worksheet

**Respondent** Regency Field Services LLC  
**Case ID No.** 50779  
**Reg. Ent. Reference No.** RN102643327  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	15-Apr-2015	9-Jul-2015	0.23	\$3	n/a	\$3

Notes for DELAYED costs

Estimated cost to submit a revised PCC for the March 17, 2014 through March 16, 2015 certification period. The Date Required is the date the PCC was due and the Final Date is the date of compliance.

## Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

**TOTAL**

\$3



Screening Date 7-Jul-2015

Docket No. 2015-1014-AIR-E

PCW

Respondent Regency Field Services LLC

Policy Revision 4 (April 2014)

Case ID No. 50779

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102643327

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(b)(2) and 122.143(4), FOP No. 0855/Oil and Gas  
 GOP No. 514, Site-wide Requirements (b)(28)(F), and Tex. Health & Safety Code §  
 382.085(b)

Violation Description

Failed to maintain complete records of non-reportable emissions events. Specifically, for the non-reportable emissions events that occurred on August 11, 2014, August 13, 2014, December 8, 2014, and December 21, 2014, the Respondent failed to include the Regulated Entity Number; the common name where the unauthorized emissions were released to the atmosphere; the estimated duration of the emissions; the authorized emissions limits for the compounds or mixtures emitted; the rule citation of the standard permit, permit by rule, or rule, if any, governing the facilities involved in the emissions event; and the basis used for determining the quantity of air contaminants emitted.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
		x	

Percent 7.0%

Matrix Notes

Between 30% and 70% of the rule requirement was not met.

Adjustment \$23,250

\$1,750

## Violation Events

Number of Violation Events 4

75 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$7,000

Four single events are recommended for each set of incomplete records.

## Good Faith Efforts to Comply

10.0%

Reduction \$700

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		(mark with x)

Notes

The Respondent completed corrective action on July 20, 2015, after the June 23, 2015 NOE.

Violation Subtotal \$6,300

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$60

Violation Final Penalty Total \$6,440

This violation Final Assessed Penalty (adjusted for limits) \$6,440

# Economic Benefit Worksheet

Respondent: Regency Field Services LLC  
 Case ID No.: 50779  
 Reg. Ent. Reference No.: RN102643327  
 Media: Air  
 Violation No.: 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$5,000	23-Apr-2015	20-Jul-2015	0.24	\$60	n/a	\$60
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to ensure that complete final records are maintained for non-reportable emissions events in accordance with 30 Tex. Admin. Code § 101.201. The Date Required is the date of the investigation and the Final Date is the date of compliance.

## Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$60



# Compliance History Report

**PUBLISHED** Compliance History Report for CN603263823, RN102643327, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

**Customer, Respondent, or Owner/Operator:** CN603263823, Regency Field Services LLC **Classification:** SATISFACTORY **Rating:** 2.60

**Regulated Entity:** RN102643327, FASHING GAS TREATING PLANT **Classification:** HIGH **Rating:** 0.00

**Complexity Points:** 5 **Repeat Violator:** NO

**CH Group:** 03 - Oil and Gas Extraction

**Location:** 1.5 MI N OF FASHING ON FM ROAD 2924, KARNES CITY, ATASCOSA COUNTY, TEXAS

**TCEQ Region:** REGION 13 - SAN ANTONIO

**ID Number(s):**

**AIR NEW SOURCE PERMITS REGISTRATION 72118**

**AIR NEW SOURCE PERMITS REGISTRATION 25964**

**AIR NEW SOURCE PERMITS REGISTRATION 22717**

**AIR NEW SOURCE PERMITS ACCOUNT NUMBER AG0024G**

**AIR NEW SOURCE PERMITS AFS NUM 4801300002**

**AIR OPERATING PERMITS ACCOUNT NUMBER AG0024G**

**AIR OPERATING PERMITS PERMIT 855**

**AIR EMISSIONS INVENTORY ACCOUNT NUMBER AG0024G**

**Compliance History Period:** September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

**Date Compliance History Report Prepared:** July 01, 2015

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** July 01, 2010 to July 01, 2015

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**

**Name:** Raime Hayes-Falero

**Phone:** (713) 767-3567

**Site and Owner/Operator History:**

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

**Components (Multimedia) for the Site Are Listed in Sections A - J**

**A. Final Orders, court judgments, and consent decrees:**

N/A

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

**D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	July 05, 2010	(829584)
Item 2	September 21, 2011	(951608)
Item 3	August 08, 2012	(1012955)
Item 4	July 05, 2013	(1100657)
Item 5	May 08, 2014	(1164867)

**E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	06/23/2015	(1247108)	CN603263823	
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 106, SubChapter W 106.512(2)(C)(i) 30 TAC Chapter 116, SubChapter F 116.620(a)(4) 5C THSC Chapter 382 382.085(b) GOP 514, Terms and Cond. (b)(8)(D)(xli) OP GOP 514, Terms and Cond. (b)(8)(F)(ii) OP			
	Description:	Failure to replace oxygen sensor on a quarterly basis.			

#### F. Environmental audits:

N/A

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

## J. Early compliance:

N/A

### Sites Outside of Texas:

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
REGENCY FIELD SERVICES LLC  
RN102643327**

**§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§ ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2015-1014-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Regency Field Services LLC ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing plant located 1.5 miles north of Fashing on Farm-to-Market Road 2924 in Karnes City, Atascosa County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about June 28, 2015.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Nine Thousand Eight Hundred Ninety Dollars (\$9,890) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Seven Thousand Nine Hundred

- Twelve Dollars (\$7,912) of the administrative penalty and One Thousand Nine Hundred Seventy-Eight Dollars (\$1,978) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
  8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
  9. The Executive Director recognizes the Respondent has implemented the following corrective measures at the Plant:
    - a. On July 9, 2015, submitted a revised Permit Compliance Certification ("PCC") for the March 17, 2014 through March 16, 2015 certification period; and
    - b. On July 20, 2015, implemented measures and/or procedures to ensure that complete final records are maintained for non-reportable emissions events in accordance with 30 TEX. ADMIN. CODE § 101.201.
  10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
  11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
  12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to certify compliance for at least each 12-month period following permit issuance, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4), 122.146(1), and 122.146(2), Federal Operating Permit ("FOP") No. 0855/Oil and Gas General Operating Permit ("GOP") No. 514, Site-wide Requirements (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on May 6, 2015. Specifically, the PCC submitted on April 15, 2015 did not certify compliance for the period from March 17, 2014 through September 16, 2014.

2. Failed to maintain complete records of non-reportable emissions events, in violation of 30 TEX. ADMIN. CODE §§ 101.201(b)(2) and 122.143(4), FOP No. 0855/Oil and Gas GOP No. 514, Site-wide Requirements (b)(28)(F), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on May 6, 2015. Specifically, for the non-reportable emissions events that occurred on August 11, 2014, August 13, 2014, December 8, 2014, and December 21, 2014, the Respondent failed to include the Regulated Entity Number; the common name where the unauthorized emissions were released to the atmosphere; the estimated duration of the emissions; the authorized emissions limits for the compounds or mixtures emitted; the rule citation of the standard permit, permit by rule, or rule, if any, governing the facilities involved in the emissions event; and the basis used for determining the quantity of air contaminants emitted.

### **III. DENIALS**

The Respondent generally denies each allegation in Section II ("Allegations").

### **IV. ORDERING PROVISIONS**

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Regency Field Services LLC, Docket No. 2015-1014-AIR-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be

copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

5. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

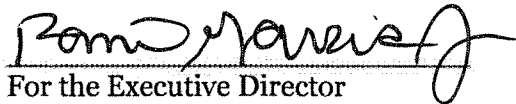


## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
For the Executive Director

1/8/16  
\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

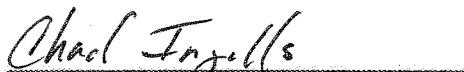
I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
\_\_\_\_\_  
Signature

10/12/15  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Regency Field Services LLC

Director of Operations  
\_\_\_\_\_  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.